

Approved For Release 2003/08/08 : CIA-RDP78S01932A000100160007-4

SIGNAL CENTER USE ONLY

SCM 0 0 0 0 0 0 0 0

25X1

CIA/OCI/WHIZWI

740905

MESSAGE REFERENCE NUMBER

CIA/WHSS

SOURCE REF:

ROUTING	1	4	7	10
	2	5	8	11
	3	6	9	12

TO : IMMEDIATE WHITE HOUSE//SITUATION ROOM FOR MR FAZIO.

ITEM NO: WH-1

DATE : 5 SEPTEMBER 1974

SUBJECT: "BANANA WAR" APPARENTLY OVER

REF :

THE DISPUTE BETWEEN THE TORRIJOS GOVERNMENT AND THE US COMPANY, UNITED BRANDS, APPEARS TO HAVE BEEN RESOLVED. A \$1 PER BOX TAX ON BANANAS, WHICH WAS INTRODUCED BY PANAMA LAST SPRING, LED UNITED BRANDS TO SUSPEND EXPORTS OF BANANAS IN JULY. UNDER AN AGREEMENT REACHED ON SEPTEMBER 3, THE FIRM WILL IMMEDIATELY RESUME HARVESTING AND EXPORTING BANANAS, AND THE TAX ON BANANA EXPORTS WILL BE REVISED AT A MEETING OF PRODUCING AND IMPORTING COUNTRIES SCHEDULED FOR SEPTEMBER 17.

THE DISPUTE BETWEEN THE GOVERNMENT AND UNITED HAD LED TO A BARRAGE OF ACRIMONIOUS PROPAGANDA IN THE PANAMANIAN PRESS AND A VIOLENT STUDENT DEMONSTRATION AT THE US EMBASSY. REMOVING THE CAUSE OF THE

DATE:

ORIG:

UNIT:

EXT:

25X1

25X1

**State Dept. review completed**

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CLASSIFICATION

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ILLEGIB

[REDACTED]

OUTGOING MESSAGE

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25X1

SIGNAL CENTER USE ONLY  
AGE COI ACP TOG TPE MRO DCI TRI  
SCM 0 0 0 0 0 0 0 2 2

CLASSIFICATION

[REDACTED]

MESSAGE HANDLING INDICATOR

DATE-TIME GROUP

CITE

MESSAGE REFERENCE NUMBER

SOURCE REF:

ROUTING	1		4		7		10	
	2		5		8		11	
	3		6		9		12	

DISPUTE WILL TAKE A WEAPON AWAY FROM ANTI-US GROUPS AND ELIMINATE A POSSIBLE IMPEDIMENT TO THE CANAL NEGOTIATIONS.

GENERAL TORRIJOS REPORTEDLY STILL BELIEVES THAT THE US WILL MEET ALL PANAMA'S ASPIRATIONS IN A NEW CANAL TREATY BECAUSE IT WANTS THE RIGHT TO CONSTRUCT A SEA-LEVEL CANAL TO REPLACE THE OBSOLESCEANT LOCK CANAL. THE PANAMANIAN NEGOTIATORS NOW ARE CONCENTRATING ON THE ISSUE OF CANAL DEFENSE, WHICH WAS THE MAIN THEME AT THE MOST RECENT ROUND OF TALKS WITH AMBASSADOR BUNKER LAST MONTH.

[REDACTED]

25X1

[REDACTED]

25X1A9A

DATE:  
ORIG:  
UNIT:  
EXT:

[REDACTED]

RELEASING OFFICER

COORDINATING OFFICERS

CLASSIFICATION

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED  
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[REDACTED]

25X1